

Message Text

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TAGS:

SUBJECT: ALCOA'S SECOND QUARTER PROFITS SOAR

1. THE FOLLOWING ARTICLE APPEARS ON FINANCIAL PAGES OF
JULY 19 EDITION OF "WASHINGTON POST":

(A) PROFITS AT ALCOA INCREASE 60 PCT: NEW YORK, JULY 18.
ALUMINUM CO. OF AMERICA, THE WORLD'S LARGEST ALUMINUM PRO-
DUCER, REPORTED TODAY A 60 PER CENT INCREASE IN SECOND-
QUARTER PROFITS OVER THE SAME PERIOD IN 1973.

(B) ALCOA'S NET INCOME OF \$50.4 MILLION (\$1.50 A SHARE),
COMPARED WITH LAST YEAR'S \$30.3 MILLION (90 CENTS). REV-
ENUES TOTALED \$707.9 MILLION VERSUS \$546.1 MILLION IN 1973.

(C) THE RECORD QUARTERLY EARNINGS AND REVENUES WERE
MATCHED BY RECORDS FOR THE FIRST HALF, THE COMPANY REPORTED.

(D) FIRST HALF REVENUES WERE \$1.4 BILLION, AND INCOME WAS
\$95.8 MILLION (\$2.85), COMPARED WITH LAST YEARS'S \$1.04
BILLION IN REVENUES AND PROFITS OF \$51.3 MILLION (1.53).

(E) "DESPITE RECORD REVENUES AND INCOME, RETURN ON IN-
VESTED INCOME, RETURN IS NOT HIGH ENOUGH TO SUPPORT

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THE CAPITAL INVESTMENT NEEDED TO MEET GROWING DEMAND FOR

ALUMINUM," SAID JOHN D. HARPER, ALCOA BOARD CHAIRMAN.

(F) "PRICE RESTRAINTS IMPOSED BY THE COST OF LIVING COUNCIL WERE A MAJOR DETERRENT TO OUR EFFORTS TO IMPROVE RETURN ON INVESTED CAPITAL," HE SAID.

(G) ALCOA SAID EARNINGS FOR THE FIRST SIX MONTHS WERE REDUCED ABOUT \$7 MILLION BECAUSE OF JAMAICA'S UNILATERAL ACTION RECENTLY THAT "INCREASED BY MORE THAN 700 PER CENT TAXES AND ROYALTIES ON BAUXITE MINED IN THAT COUNTRY."

(H) PRIMARY ALUMINUM PRODUCTION AT ALCOA SET RECORDS OF 428,000 TONS IN THE SECOND QUARTER AND 853,000 TONS IN THE FIRST HALF. SHIPMENTS OF ALUMINUM PRODUCTS CONTINUED AT A "VERY HIGH" LEVEL -ONE MILLION TONS- A RECORD FOR ANY SIX MONTHS, THE COMPANY SAID. KISSINGER

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